

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Thursday, February 12, 2004, 2:00 p.m.
Room 131 State Capitol

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Jack A. Seitz, Committee Co-Chair
Sen. Leonard Blackham
Sen. Paula Julander
Rep. J. Stuart Adams
Rep. Calvin G. Bird
Rep. David Litvack
Rep. Rebecca Lockhart
Rep. Roz McGee
Rep. Mike Thompson

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Dr. Scott Williams, Executive Director, Department of Health
Michael Deily, Director, Division of Health Care Financing

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Killpack at 2:18 p.m.

1. Finalize Committee Budget - Department of Health

Analyst Spencer Pratt distributed a priority list for additional funding for the Department of Health compiled from committee members lists.

MOTION: Sen. Blackham moved to adopt the priority list for the Department of Health as follows:

- Medicaid Caseload Growth/Utilization (\$18,566,400)
- Medicaid Inflation (\$8,000,000)
- Additional Medicaid Inflation
 - Dentists
 - Physicians
 - Ambulance
- Local Provider COLA - Local Health Departments
(\$14,300 per 1%)
- Primary Care Grants
- Medicaid Vision restoration (\$1,112,900)
- Medicaid Dental restoration (\$3,687,400 to Medicaid rates)
- Medicaid Dental increase to PEHP rates (\$3,975,600)
- eREP module (\$238,000)
- Supplemental FY 0004: eREP module (\$222,000)

After committee discussion, Rep. Litvack moved a substitute motion:

SUBSTITUTE-MOTION: Rep. Litvak moved to place Medicaid Dental restoration ahead of Local Provider COLA on the Priority List and keep the others as compiled.

The committee discussed the substitute motion with Sen. Julander stating that dental restoration was the thing that has been mentioned most during the committee hearings as been most needed. Rep. McGee stated she supported the

motion and stated the dental restoration is for people who are not able to get employment because of pain or poor appearance. Sen. Killpack Killpack, Sen. Blackham, Rep. Adams, Rep. Thompson and spoke in opposition to the substitute motion.

The substitute motion failed with Sen. Julander, Rep. Litvack and Rep. McGee voting in favor and Sen. Killpack, Sen. Blackham, Rep. Seitz, Rep. Adams, Rep. Bird, Rep. Lockhart and Rep. Thompson voting against.

The original motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language for the Department of Health:

"It is the intent of the Legislature that, within the designated appropriation reimbursement rates for Medicaid physicians who provide obstetrics and maternity services be increased by 25 percent above other physician providers."

Rep. McGee asked for a response from the Department of Health as to the fiscal ramifications of this language. Dr. Scott Williams, Executive Director, Department of Health, stated that if this language only applies to any additional money made available for physicians, the Department would feel fine about the language. He said the Department understands that obstetrics has a disproportionate share of Medicaid patients compared to other physicians and that their malpractice insurance premiums are going up. He indicated with the understanding that it would only apply to the increase, it would not create a fiscal problem. Michael Deily, Director, Division of Health Care Financing, stated that one of the priorities of the Medical Care Advisory Committee was to increase the ob/gyn rate.

SUBSTITUTE-MOTION: Sen. Julander moved to include certified nurse midwives in the language.

Mr. Deily said that nurse midwives are reimbursed at a lower rate than physicians and he felt it would be helpful in getting the nurse rates more comparable. He said it was a good suggestion to include certified nurse midwives in the increased rate. Dr. Williams suggested changing the intent language to read "providers of obstetrical services" rather than physicians.

After committee discussion and suggestions to change the wording on the intent language, the Co-chairs suggested the motions be withdrawn. It was noted that if additional funding becomes available, new intent language would be drafted to clarify these matters.

Both the original and substitute motions were withdrawn.

2. Finalize Committee Budget - Department of Human Services

Analyst Thor Nilsen distributed and discussed the tabulation of the committee's priorities for the Department of Human Services.

MOTION: Sen. Blackham moved to adopt the priority list for the Department of Human Services as follows:

1. DSPD Ongoing funds for last year's one-time funds (\$350,000)
DSPD Waiting List (\$500,000)
2. Provider COLA for contract providers for DSPD and DCFS at 4% (\$1,570,000)
3. State Hospital Rampton II Wing for FY04 and FY05 (\$90,200 and \$265,800 respectively)
4. Autism Pre-school Program (\$275,000 for one class - 12 students)
5. Aging Services - Meals

The motion passed unanimously.

Rep. Seitz distributed new intent language concerning cost of living increases for employees of private service providers. After committee discussion, amendments were suggested.

MOTION: Rep. Seitz moved to amend the intent language by adding after funds "based on reports from providers regarding."

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language for the Department of Human Services:

"It is the intent of the Legislature that funds appropriated for cost of living increases for employees of private service providers contracting with the Division of People with Disabilities and the Division of Child and Family Services be used exclusively for that purpose. It is further the intent of the Legislature that these divisions report to the Health and Human Services Appropriations Subcommittee during the 2005 General Session on the use of such funds based on reports from providers regarding its distribution and impact on salaries of various categories of staff, including, but not limited to, administrators, supervisors and direct care workers."

The motion passed unanimously.

MOTION: Rep. Lockhart moved to adjourn. The motion passed unanimously.

Co-Chair Killpack adjourned the meeting at 3:00 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Jack A. Seitz
Committee Co-Chair